

DANBY TOWNSHIP
IONIA COUNTY, MICHIGAN

REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Danby Township	County Ionia
Fiscal Year End March 31, 2007	Opinion Date June 28, 2007	Date Audit Report Submitted to State September 8, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.


We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Barry E. Gaudette, CPA, PC		Telephone Number (231) 946-8930		
Street Address 731 S. Garfield Avenue		City Traverse City	State MI	Zip 49686
Authorizing CPA Signature 		Printed Name Barry E. Gaudette, CPA		License Number 11050

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INTRODUCTORY SECTION

DANBY TOWNSHIP
LIST OF ELECTED OFFICIALS
MARCH 31, 2007
=====

ELECTED OFFICIALS

Richard Pohl	Supervisor
Kristina K. Platte	Clerk
Elizabeth C. Kolarik	Treasurer
Gary Reisbig	Trustee
William J. Nichols	Trustee

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the Township Board
Danby Township
Ionia County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Danby Township, Ionia County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above do not include the Management Discussion and Analysis, which is required supplementary information and should be included in order to conform with accounting principles generally accepted in the United States of America.

Danby Township
Independent Auditors' Report
Page Two

In my opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Danby Township, Ionia County, Michigan, as of March 31, 2007, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Danby Township's, Ionia County, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Sandy E. Tardiff, CPA, PC

June 28, 2007

BASIC FINANCIAL STATEMENTS

**Danby Township
Statement of Net Assets
March 31, 2007**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 559,633
Investments	223,600
Receivables	24,206
Prepaid insurance	6,628
Due from other funds	20,908
Capital assets (net of accumulated depreciation):	
Land and improvements	96,749
Buildings and improvements	107,570
Machinery and equipment	7,099
Office equipment	<u>4,745</u>
Total assets	<u>1,051,138</u>
LIABILITIES	
Accounts payable and other current liabilities	<u>7,130</u>
Total liabilities	<u>7,130</u>
NET ASSETS	
Invested in capital assets, net of related debt	216,163
Unrestricted	<u>827,845</u>
Total net assets	<u>\$1,044,008</u>

See notes to financial statements

Danby Township
Statement of Activities
For the Year Ended March 31, 2007

Functions /Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Legislative	\$ 50,614	\$	\$	\$
General				
Government	121,512	5,282	3,823	
Public safety	51,472			
Public works	47,287	6,852	4,018	
Health & welfare	39,029	14,564		
Community/ economic development	36,900			
Other	<u>12,745</u>			
Total governmental activities	<u>\$359,559</u>	<u>\$ 26,698</u>	<u>\$ 7,841</u>	<u>\$</u>

General revenues:

Property taxes & administrative fees
Licenses & permits
State revenue sharing
Interest earnings
Rentals
Other

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See notes to financial statements.

Net (Expense)
Revenue and
Changes in
Net Assets

Governmental
Activities

\$ (50,614)

(112,407)

(51,472)

(36,417)

(24,465)

(36,900)

(12,745)

(325,020)

125,675

12,399

183,951

25,447

300

1,610

349,382

24,362

1,019,646

\$1,044,008

Danby Township
Balance Sheet
Governmental Funds
March 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Public Improvement</u>	<u>Improvement Revolving</u>
ASSETS				
Cash and cash equivalents	\$ 145,153	\$ 12,652	\$ 174,278	\$ 139,584
Investments		12,338		104,085
Receivables:				
Taxes	4,633			
Ambulance	19,573			
Prepaid insurance	6,628			
Due from other funds	<u>20,908</u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 196,895</u>	<u>\$ 24,990</u>	<u>\$ 174,278</u>	<u>\$ 243,669</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ <u>7,130</u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Total liabilities	<u>7,130</u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:				
Unreserved, reported in:				
General fund	189,765			
Special revenue funds	<u> </u>	<u>24,990</u>	<u>174,278</u>	<u>243,669</u>
Total fund balances	<u>189,765</u>	<u>24,990</u>	<u>174,278</u>	<u>243,669</u>
Total Liabilities and Fund Balances	<u>\$ 196,895</u>	<u>\$ 24,990</u>	<u>\$ 174,278</u>	<u>\$ 243,669</u>

See notes to financial statements

<u>Road & Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 84,443	\$ 3,523	\$ 559,633
107,177		223,600
		4,633
		19,573
		6,628
		<u>20,908</u>
<u>\$ 191,620</u>	<u>\$ 3,523</u>	<u>\$ 834,975</u>
 \$ _____	 \$ _____	 \$ 7,130
 _____	 _____	 <u>7,130</u>
		189,765
<u>191,620</u>	<u>3,523</u>	<u>638,080</u>
<u>191,620</u>	<u>3,523</u>	<u>827,845</u>
<u>\$ 191,620</u>	<u>\$ 3,523</u>	<u>\$ 834,975</u>

Danby Township
Reconciliation of the Governmental Funds
Balance Sheet
With the Statement of Net Assets
March 31, 2007

Amounts reported for governmental activities in the
statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 827,845
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Capital assets used in governmental activities
are not financial resources and therefore are
not reported as assets in governmental funds:

Cost of capital assets	373,607
Accumulated depreciation	<u>(157,444)</u>

Total Net Assets - Governmental Activities	<u>\$ 1,044,008</u>
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See notes to financial statements

Danby Township
Statement of Revenues, Expenditures, and Changes
In Fund Balance
Governmental Funds
For the Year Ended March 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Public Improvement</u>	<u>Improvement Revolving</u>
REVENUES				
Taxes & adm. fees	\$ 82,202	\$ 43,473	\$	\$
Licenses & permits	12,399			
State aid	191,792			
Charges for services	19,846			
Interest earnings	2,722	1,295	6,321	7,773
Rents	300			
Other:				
Special assessment	5,447			
Miscellaneous	<u>1,610</u>			
Total revenues	<u>316,318</u>	<u>44,768</u>	<u>6,321</u>	<u>7,773</u>
EXPENDITURES				
Current:				
Legislative	50,614			
General government	107,222			
Public safety	3,000	47,465		
Public works	45,750			
Health & welfare	39,029			
Community/economic development	36,900			
Other	<u>12,745</u>			
Total expenditures	<u>295,260</u>	<u>47,465</u>		
Excess (deficiency) of revenues over (under) expenditures	21,058	(2,697)	6,321	7,773
OTHER FINANCING SOURCES (USES)				
Transfers in(out)	<u>20,000</u>			<u>(20,000)</u>
Net changes in fund balances	41,058	(2,697)	6,321	(12,227)
Fund balances- beginning	<u>148,707</u>	<u>27,687</u>	<u>167,957</u>	<u>255,896</u>
Fund balances- ending	<u>\$ 189,765</u>	<u>\$ 24,990</u>	<u>\$ 174,278</u>	<u>\$ 243,669</u>

See notes to financial statements

<u>Road & Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 125,675
		12,399
		191,792
		19,846
7,290	46	25,447
		300
	1,405	6,852
		<u>1,610</u>
<u>7,290</u>	<u>1,451</u>	<u>383,921</u>
		50,614
		107,222
		50,465
	1,537	47,287
		39,029
		36,900
		<u>12,745</u>
	<u>1,537</u>	<u>344,262</u>
7,290	(86)	39,659
7,290	(86)	39,659
<u>184,330</u>	<u>3,609</u>	<u>788,186</u>
<u>\$191,620</u>	<u>\$ 3,523</u>	<u>\$ 827,845</u>

Danby Township
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the Year Ended March 31, 2007

Amounts reported for governmental activities in the
statement of activities are different because:

Total net change in fund balances -	
total governmental funds	\$ 39,659
Governmental funds report capital outlays	
as expenditures. However, in the statement	
of activities the cost of those assets is	
allocated over their estimated useful lives	
and reported as depreciation expense. This	
is the amount by which capital outlays	
exceeded depreciation in the current period.	
	<u>(15,297)</u>
Change in net assets of governmental activities	<u>\$ 24,362</u>

See notes to financial statements

Danby Township
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance-Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Property taxes and related fees	\$ 72,000	\$ 72,000	\$ 82,202	\$ 10,202
Licenses & permits	4,200	4,200	12,399	8,199
Intergovernmental revenue from state:				
State revenue sharing	140,000	140,000	183,951	43,951
Metro Act			4,018	4,018
SET	3,000	3,000	3,823	823
Charges for services	22,000	22,000	19,846	(2,154)
Interest earnings	1,500	1,500	2,722	1,222
Rents	280	280	300	20
Other revenue:				
Special assessment	5,000	5,000	5,447	447
Cemetery lot sales	2,000	2,000		(2,000)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>1,610</u>	<u>(890)</u>
Total revenues	<u>252,480</u>	<u>252,480</u>	<u>316,318</u>	<u>63,838</u>
EXPENDITURES				
Current:				
Legislative:				
Township board	<u>45,360</u>	<u>45,360</u>	<u>50,614</u>	<u>(5,254)</u>
General government:				
Supervisor	15,110	15,110	14,044	1,066
Elections	6,350	6,350	5,416	934
Assessor	18,100	18,100	15,122	2,978
Clerk	23,019	23,019	20,928	2,091
Board of review	2,150	2,150	1,379	771
Treasurer	25,919	25,919	24,496	1,423
Building & grounds	13,000	13,000	6,561	6,439
Cemetery	<u>23,835</u>	<u>23,835</u>	<u>19,276</u>	<u>4,559</u>
Total general government	<u>127,483</u>	<u>127,483</u>	<u>107,222</u>	<u>20,261</u>

Danby Township
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance-Budget and Actual
For the Year Ended March 31, 2007
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES				
(CONTINUED):				
Current:				
Public safety:				
Police			3,000	(3,000)
Public works:				
Dust control	35,000	35,000	23,982	11,018
Centerline bridge	15,000	15,000		15,000
Kent street bridge	15,000	15,000		15,000
Road maintenance	55,000	55,000	16,374	38,626
Drain at large	5,000	5,000	5,394	(394)
Total public works	125,000	125,000	45,750	79,250
Health & Welfare:				
PAMA	150	150	135	15
Ambulance	41,496	41,496	38,894	2,602
Total health & welfare	41,646	41,646	39,029	2,617
Community/Economic development:				
Planning commission	7,200	7,200	23,739	(16,539)
Zoning administrator	15,200	15,200	12,898	2,302
Zoning board of appeals	1,250	1,250	263	987
Total community/economic development	23,650	23,650	36,900	(13,250)
Other:				
Pension	11,900	11,900	12,745	(845)

Danby Township
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance-Budget and Actual
For the Year Ended March 31, 2007
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Total expenditures	<u>375,039</u>	<u>375,039</u>	<u>295,260</u>	<u>79,779</u>
Excess (deficiency) of revenues over (under) over expenditures	<u>(122,559)</u>	<u>(122,559)</u>	<u>21,058</u>	<u>143,617</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>55,000</u>	<u>55,000</u>	<u>20,000</u>	<u>(35,000)</u>
Total other financing sources (uses)	<u>55,000</u>	<u>55,000</u>	<u>20,000</u>	<u>(35,000)</u>
Net changes in fund balances	<u>(67,559)</u>	<u>(67,559)</u>	<u>41,058</u>	<u>108,617</u>
Fund balances- beginning	<u>67,559</u>	<u>67,559</u>	<u>148,707</u>	<u>81,148</u>
Fund balances- ending	<u>\$</u>	<u>\$</u>	<u>\$189,765</u>	<u>\$ 189,765</u>

See notes to financial statements

Danby Township
Combined Statement of Fiduciary Net Assets
Fiduciary Funds
March 31, 2007

	Non-Expendable Trust Fund	Agency Fund
	<u>Fund</u>	<u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 14,028	\$ 20,908
Investments-CD's	<u>19,818</u>	<u> </u>
Total assets	<u>33,846</u>	<u>20,908</u>
 LIABILITIES		
Due to other funds	<u> </u>	<u>20,908</u>
 NET ASSETS		
Held in trust for other purposes	<u>\$ 33,846</u>	<u>\$ </u>

See notes to financial statements

Danby Township
Combined Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended March 31, 2007

	Non-Expendable Trust Fund	Agency Fund
ADDITIONS		
Property tax collections, special assessments and fees	\$	\$2,133,488
Charges for services	41	
Interest earnings	<u>1,015</u>	<u>249</u>
Total additions	<u>1,056</u>	<u>2,133,737</u>
DEDUCTIONS		
Payments to other funds		127,080
Payments to other governmental units	<u></u>	<u>2,006,657</u>
Total deductions	<u></u>	<u>2,133,737</u>
Changes in net assets	1,056	
Net assets - beginning	<u>32,790</u>	<u></u>
Net assets - ending	<u>\$ 33,846</u>	<u>\$</u>

See notes to financial statements

Danby Township
Combined Statement of Cash Flows
All Non-Expendable Trust Funds
For The Year Ended March 31, 2007

	Fiduciary Fund <u>Types</u>	Non-Expendable <u>Trust</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for services	\$ 41	
Payments	<u> </u>	
Cash provided by operating activities	<u>41</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash equivalents	<u>1,015</u>	
Cash provided by investing activities	<u>1,015</u>	
Increase in cash and cash equivalents	1,056	
Cash and cash equivalents, beginning	<u>32,790</u>	
Cash and cash equivalents, ending	<u><u>\$ 33,846</u></u>	

See notes to financial statements

Danby Township
Notes to the Financial Statements
March 31, 2007

I. Summary of significant accounting policies

The financial statements of the Danby Township (the Township) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

A. Reporting entity

The Township is governed by an elected five-member board. The accompanying financial statements present the Township's operations for which the government is considered to be financially accountable. The Township has no component units and is not responsible for any jointly governed organizations.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Township does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns

in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when a payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township property tax is levied each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township as of the preceding December 31st. Real property taxes not collected as of March 1st are turned over to Ionia County, which advances the Township 100% for the delinquent taxes.

The 2006 taxable valuation of real and personal property of the Township totaled \$76,603,786, on which ad valorem taxes levied consisted of .7891 mills for Township operating purposes and another .0700 mills for drain at large. These amounts are recognized in the General Fund as current tax revenue as well as administrative fees of \$21,811 to collect the taxes and

applicable interest.

The Township also levies .8000 mills for Township fire purposes in the Portland area and is reported in the Fire Fund. There is another 2.5000 mills levied for the Roxand area and 2.0000 mills for the Sunfield area that are collected and distributed to those fire districts.

The Township reports the following major governmental funds:

The *general fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *fire fund* is a special revenue fund that accounts for the collection of a tax levy for the Portland area.

The *public improvement fund* is a special revenue fund that was created in 1980 to account for monies that are restricted for public improvements.

The *improvement revolving fund* is a special revenue fund that was created in 1984 to account for monies that are not restricted and can be used whenever they are needed. The fund cannot exceed five mills of SEV.

The *road and bridge fund* is a special revenue fund that was created in 1989 to account for monies for the maintenance, repair and improvements of roads and bridges in the Township.

Additionally, the government reports the following fund types:

The *pearlbarr lighting* and *cemetery building funds* are special revenue funds.

The Township reports the following fiduciary funds:

These funds are used to account for assets held in trust or as an agent for others. The Township has two fiduciary funds as follows:

Agency Fund

Agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The *tax collection fund* is an

agency fund.

Non-expendable Trust Funds

The measurement focus of the non-expendable trust funds should be accounted for on the accrual basis. The Township's cemetery perpetual care, Shuman-Rumfield, Wm. B. Shuman, Alice A. Fishbeck, D.F. Deatsman, Wm. J. Browne, and Benton Stiffler are non-expendable trust funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted sources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets

1. Deposits and investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Township to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, saving and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or Nation Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which mature not more than 270 days after the date of purchase. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

2. Short-term interfund receivables/payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet in the governmental fund financial statements.

3. Receivables and payables

All trade and property tax receivables are shown net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

4. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital assets

Capital assets, which include property, plant, and equipment are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment of the Township is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	40
Machinery and equipment	7
Office furniture and equipment	5

6. Compensated absences

The Township does not have a compensated absence policy.

7. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

In the fund financial statements, governmental fund types, recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The Township does not have any long-term debt.

8. Fund balance

In the fund financial statements, governmental funds report the reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Use of estimates

The process of preparing general purpose financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Supervisor submits to the Township Board a proposed budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them. The

level of control for the budgets is at the functional level as set forth in the combined statement of revenues, expenditures and changes in fund balances - budget and actual - GAAP basis - general funds.

2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally adopted by the Township Board as a resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated.
4. The Supervisor is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. The budget as presented, has not been amended. Supplemental appropriations were made during the year with the last one approved prior to April 1st.

B. Excess of expenditures over appropriations

For the year ended March 31, 2007, expenditures exceeded appropriations in the activities of township board, police, drains at large, planning commission, pension (the legal level of budgetary control) of the general fund by \$5,254, \$3,000, \$394, \$16,539, and \$845, respectively. These overexpenditures were funded by the available fund balance in the general fund.

III. Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

A. Cash and Investments

Deposits

The Township's policies regarding deposits of cash are discussed in Note 1. The table presented below is designed to disclose the level of custody credit risk assumed by the Township based upon how its deposits were insured or secured with collateral at March 31, 2007. The categories of credit risk are defined as follows:

Category 1: Insured by FDIC or collateralized with securities held by the Township (or public trust) or by its agent in its name.

Category 2: Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3: Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Township's name; or collateralized with no written or approved collateral agreement.

	<u>Total Bank</u>	<u>Custody Credit Risk</u>			<u>Total</u>
	<u>Balance</u>	<u>Category</u>	<u>Category</u>	<u>Category</u>	<u>Carrying</u>
		<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
Demand					
deposits	\$ 106,397	\$106,397	\$	\$	\$ 28,166
Savings	469,096	469,096			566,403
Total	<u>\$ 575,493</u>	<u>\$575,493</u>	<u>\$</u>	<u>\$</u>	<u>\$594,569</u>

A reconciliation of cash as shown on the statements of net assets follows:

Carrying amount of deposits	<u>\$ 594,569</u>
Cash and cash equivalents:	
Governmental funds	\$ 565,264
Non-expendable trust fund	14,028
Agency fund	77,993
Checks written in excess of deposits	<u>(62,716)</u>
Total	<u>\$ 594,569</u>

Investments

The Township's policies and applicable laws regarding investments are discussed in Note 1. The table presented below is designed to disclose the level of market risk and custody credit risk assumed by the Township (or public trust) based upon whether the investments are insured or registered and upon who holds the security at March 31, 2007. The categories of credit risk are defined as follows:

Category 1: Insured or registered with securities held by the Township or its agent in the Township's name.

Category 2: Uninsured and unregistered with securities held by counterparty's trust department or agent in the Township's name.

Category 3: Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Township's name.

	<u>Custody Credit Risk</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>		
Certificate of deposits	<u>\$263,236</u>	<u>\$</u>	<u>\$</u>	<u>\$263,236</u>	<u>\$263,236</u>

B. Receivables

Receivables as of year end for the government's general fund was \$4,633 for taxes due from the County and \$19,573 for ambulance fees.

C. Capital assets

Capital asset activity for the year ended March 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land & improvements	<u>\$ 96,749</u>	<u>\$</u>	<u>\$</u>	<u>\$ 96,749</u>
Capital assets, being depreciated:				
Buildings & improvements	201,309			201,309
Machinery & equipment	41,838			41,838
Office equipment	<u>33,711</u>	<u></u>	<u></u>	<u>33,711</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total capital assets being depreciated	<u>276,858</u>	<u> </u>	<u> </u>	<u>276,858</u>
Less accumulated depreciation for:				
Buildings & improvements	(88,706)	(5,033)		(93,739)
Machinery & equipment	(28,762)	(5,977)		(34,739)
Office equipment	<u>(24,679)</u>	<u>(4,287)</u>	<u> </u>	<u>(28,966)</u>
Total accumulated depreciation	<u>(142,147)</u>	<u>(15,297)</u>	<u> </u>	<u>(157,444)</u>
Total capital assets, being depreciated, net	<u>134,711</u>	<u>(15,297)</u>	<u> </u>	<u>119,414</u>
Governmental activities capital assets, net	<u>\$ 231,460</u>	<u>\$ (15,297)</u>	<u>\$ </u>	<u>\$ 216,163</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 14,290
Public safety	<u>1,007</u>
Total depreciation expense- governmental activities	<u>\$ 15,297</u>

D. Interfund receivables, payables, and transfers

Interfund transfers:

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Public Improvement Fund</u>	<u>Improvement Revolving Fund</u>	<u>Road & Bridge Fund</u>
Transfer out:				
Road & bridge fund	\$	\$	\$	\$
Public improvement fund				
Improvement revolving fund	\$20,000	\$	\$	\$
General fund	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total transfers out	<u>\$20,000</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

The composition of interfund balances as of March 31, 2007, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency fund	<u>\$ 20,908</u>

IV. Other information

A. Risk management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and employee injuries (workers compensation). The Township was unable to obtain general liability insurance at a cost it considered to be economically justifiable. The Township joined together with other governments and created a public entity risk pool currently operating as a common risk management and insurance program. The Township pays an annual premium to the pool for its general insurance coverage.

The Township has purchased commercial insurance for all other risks of loss. Settlements claims have not exceeded coverages for each of the past three fiscal years.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The Township is unable to provide an estimate of the amounts of additional assessments.

B. Pension plan

The Township paid \$12,745 during the fiscal year 2006/07 to Manufacturers' Life Insurance to fund a defined contribution pension plan for participants. This amount consists of contributions from both the Township and participants. Participant contributions are not required and voluntary non-deductible contributions are allowed.

The pension plan has:

- a) no minimum service requirements;
- b) all members of the Board are eligible and full time employees;
- c) the Township shall annually contribute 100 percent premiums or charges based on contributions of 20 percent of annual salary (minimum cost is \$300), and;
- d) immediate payoff is available.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Pearlbarr Lighting Fund - The Pearlbarr I Special Assessment District was established in 1993. A fee per lot is assessed for streetlights in the Pearlbarr I subdivision. \$56.00 per lot is spread. The Pearlbarr II Special Assessment District was established in 1997. A fee per lot is spread for streetlights in Pearlbarr II subdivision. \$30.01 per lot is spread.

Cemetery Building Fund - This fund collect monies to the purpose of cemetery building improvements.

Danby Township
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2007

	<u>Special Revenue</u>		
	<u>Pearlbarr Lighting</u>	<u>Cemetery Building</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 606	\$ 2,917	\$ 3,523
Total assets	<u>\$ 606</u>	<u>\$ 2,917</u>	<u>\$ 3,523</u>
FUND BALANCES			
Unreserved, designated	\$ 606	\$ 2,917	\$ 3,523
Total fund balances	<u>\$ 606</u>	<u>\$ 2,917</u>	<u>\$ 3,523</u>

See notes to financial statements

Danby Township
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2007

	<u>Special Revenue</u>		
	<u>Pearlbarr Lighting</u>	<u>Cemetery Building</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Interest earnings	\$ 31	\$ 15	\$ 46
Special assessments	<u>1,405</u>	<u> </u>	<u>1,405</u>
Total revenues	<u>1,436</u>	<u>15</u>	<u>1,451</u>
EXPENDITURES			
Current:			
General government			
Public works	<u>(1,537)</u>	<u> </u>	<u>(1,537)</u>
Total expenditures	<u>(1,537)</u>	<u> </u>	<u>(1,537)</u>
Net change in fund balances	(101)	15	(86)
Fund balances- beginning	<u>707</u>	<u>2,902</u>	<u>3,609</u>
Fund balances- ending	<u>\$ 606</u>	<u>\$ 2,917</u>	<u>\$ 3,523</u>

See notes to financial statements

Non-Expendable Trust Funds

Cemetery Perpetual Care Fund - This fund was created in 1988. Fifteen percent of each lot sale is put into this fund for the future care of the cemetery.

Shuman Rumfield Trust Fund - \$19,000.00 was bequeathed to Danby Township by Clarinda Rumfield. The principal must stay intact. The interest is used for the care of the cemetery.

Other Non-Expendable Trust Funds

Wm. B. Shuman, Alice A. Fishbeck Estate, D.F. Deatsman, Wm. J. Browne Estate, and Benton Stiffler Trust Funds

Danby Township
Combining Balance Sheet
Non-Expendable Trust Funds
March 31, 2007

	<u>Non-Expendable Trust Funds</u>			
	<u>Cemetery Perpetual Care</u>	<u>Shuman Rumfield</u>	<u>Wm. B. Shuman</u>	<u>Alice A. Fishbeck Estate</u>
ASSETS				
Cash and cash equivalents	\$ 8,658	\$ 4,947	\$ 93	\$ 29
Investments-CD's	<u>1,535</u>	<u>17,000</u>	<u>272</u>	<u>129</u>
Total assets	<u>\$ 10,193</u>	<u>\$ 21,947</u>	<u>\$ 365</u>	<u>\$ 158</u>
NET ASSETS				
Held in trust for other purposes	<u>10,193</u>	<u>21,947</u>	<u>365</u>	<u>158</u>
Total net assets	<u>\$ 10,193</u>	<u>\$ 21,947</u>	<u>\$ 365</u>	<u>\$ 158</u>

See notes to financial statements

<u>D.F.</u> <u>Deatsman</u>	<u>Wm. J.</u> <u>Browne</u> <u>Estate</u>	<u>Benton</u> <u>Stiffler</u>	<u>Totals</u>
\$ 123	\$ 91	\$ 87	\$ 14,028
<u>338</u>	<u>272</u>	<u>272</u>	<u>19,818</u>
<u>\$ 461</u>	<u>\$ 363</u>	<u>\$ 359</u>	<u>\$ 33,846</u>
 <u>461</u>	 <u>363</u>	 <u>359</u>	 <u>33,846</u>
<u>\$ 461</u>	<u>\$ 363</u>	<u>\$ 359</u>	<u>\$ 33,846</u>

Danby Township
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Non-Expendable Trust Funds
For The Year Ended March 31, 2007

	<u>Non-Expendable Trust Funds</u>			
	<u>Cemetery Perpetual Care</u>	<u>Shuman Rumfield</u>	<u>Wm. B. Shuman</u>	<u>Alice A. Fishbeck Estate</u>
ADDITIONS				
Charges for services	\$ 41	\$	\$	\$
Interest earnings	<u>306</u>	<u>671</u>	<u>8</u>	<u>4</u>
Total revenues	<u>347</u>	<u>671</u>	<u>8</u>	<u>4</u>
DEDUCTIONS				
Payments	<u></u>	<u></u>	<u></u>	<u></u>
Total deductions	<u></u>	<u></u>	<u></u>	<u></u>
Change in net assets	347	671	8	4
Net assets - beginning	<u>9,846</u>	<u>21,276</u>	<u>357</u>	<u>154</u>
Net assets - ending	<u>\$10,193</u>	<u>\$ 21,947</u>	<u>\$ 365</u>	<u>\$ 158</u>

See notes to financial statements

<u>D.F.</u> <u>Deatsman</u>	<u>Wm. J.</u> <u>Browne</u> <u>Estate</u>	<u>Benton</u> <u>Stiffler</u>	<u>Totals</u>
\$	\$	\$	\$
10	8	8	41
			1,015
10	8	8	1,056
10	8	8	1,056
451	355	351	32,790
\$ 461	\$ 363	\$ 359	\$ 33,846

Danby Township
Fire Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Property taxes	\$ 43,610	\$ 43,610	\$ 43,473	\$ (137)
Interest earnings	<u>250</u>	<u>250</u>	<u>1,295</u>	<u>1,045</u>
Total revenues	<u>43,860</u>	<u>43,860</u>	<u>44,768</u>	<u>908</u>
EXPENDITURES				
Public safety	<u>53,535</u>	<u>53,535</u>	<u>47,465</u>	<u>6,070</u>
Total expenditures	<u>53,535</u>	<u>53,535</u>	<u>47,465</u>	<u>6,070</u>
Net change in fund balance	(9,675)	(9,675)	(2,697)	6,978
Fund balance - beginning	<u> </u>	<u> </u>	<u>27,687</u>	<u>27,687</u>
Fund balance - ending	<u><u>\$ (9,675)</u></u>	<u><u>\$ (9,675)</u></u>	<u><u>\$ 24,990</u></u>	<u><u>\$ 34,665</u></u>

Danby Township
 Public Improvement Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Interest earnings	\$ 2,000	\$ 2,000	\$ 6,321	\$ 4,321
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>6,321</u>	<u>4,321</u>
EXPENDITURES				
Public works	_____	_____	_____	_____
Total expenditures	_____	_____	_____	_____
Excess (deficiency) of revenues over (under) expenditures	2,000	2,000	6,321	4,321
OTHER FINANCING SOURCES (USES)				
Transfers in(out)	<u>(15,000)</u>	<u>(15,000)</u>	_____	<u>15,000</u>
Net change in fund balance	(13,000)	(13,000)	6,321	19,321
Fund balance - beginning	_____	_____	<u>167,957</u>	<u>167,957</u>
Fund balance - ending	<u><u>\$ (13,000)</u></u>	<u><u>\$ (13,000)</u></u>	<u><u>\$174,278</u></u>	<u><u>\$187,278</u></u>

Danby Township
Improvement Revolving Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Interest earnings	\$ 2,500	\$ 2,500	\$ 7,773	\$ 5,273
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>7,773</u>	<u>5,273</u>
EXPENDITURES				
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	2,500	2,500	7,773	5,273
OTHER FINANCING SOURCES (USES)				
Transfers in(out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u> </u>
Net change in fund balance	(17,500)	(17,500)	(12,227)	5,273
Fund balance - beginning	<u> </u>	<u> </u>	<u>255,896</u>	<u>255,896</u>
Fund balance - ending	<u><u>\$ (17,500)</u></u>	<u><u>\$ (17,500)</u></u>	<u><u>\$243,669</u></u>	<u><u>\$261,169</u></u>

Danby Township
Road and Bridge Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Interest earnings	\$ 2,000	\$ 2,000	\$ 7,290	5,290
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>7,290</u>	<u>5,290</u>
EXPENDITURES				
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	2,000	2,000	7,290	5,290
OTHER FINANCING SOURCES (USES)				
Transfers in(out)	<u>(20,000)</u>	<u>(20,000)</u>	<u> </u>	<u>20,000</u>
Net change in fund balance	(18,000)	(18,000)	7,290	25,290
Fund balance - beginning	<u> </u>	<u> </u>	<u>184,330</u>	<u>184,330</u>
Fund balance - ending	<u><u>\$ (18,000)</u></u>	<u><u>\$ (18,000)</u></u>	<u><u>\$191,620</u></u>	<u><u>\$ 209,620</u></u>

Danby Township
 Pearl barr Lighting Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Interest earnings	\$	\$	\$ 31	\$ 31
Special assessments	<u>698</u>	<u>698</u>	<u>1,405</u>	<u>707</u>
Total revenues	<u>698</u>	<u>698</u>	<u>1,436</u>	<u>738</u>
EXPENDITURES				
Public works	<u>698</u>	<u>698</u>	<u>1,537</u>	<u>(839)</u>
Total expenditures	<u>698</u>	<u>698</u>	<u>1,537</u>	<u>(839)</u>
Net change in fund balance			(101)	(101)
Fund balance - beginning	<u></u>	<u></u>	<u>707</u>	<u>707</u>
Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$ 606</u>	<u>\$ 606</u>

Danby Township
Cemetery Building Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Interest earnings	\$ _____	\$ _____	\$ 15	\$ 15
Total revenues	_____	_____	15	15
EXPENDITURES				
Capital outlay	_____	_____	_____	_____
Total expenditures	_____	_____	_____	_____
Excess (deficiency) of revenues over (under) expenditures	_____	_____	15	15
OTHER FINANCING SOURCES (USES)				
Transfers in	_____	_____	_____	_____
Transfers (out)	_____	_____	_____	_____
Total other financing sources (uses)	_____	_____	_____	_____
Net change in fund balance			15	15
Fund balance - beginning	_____	_____	2,902	2,902
Fund balance - ending	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 2,917</u>	<u>\$ 2,917</u>

COMMENTS AND RECOMMENDATIONS

Members of the Township Board
Danby Township
Ionia County, Michigan

My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

It was not necessary to make any comments or recommendations.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management, the Township Board, and the Michigan Department of Treasury and should not be used for any other purpose.

Barry E. Gaudette, CPA, P.C.

June 28, 2007